

E-filed on August 31, 2006

Marc A. Levinson (California Bar No. 57613)
 Lynn Trinka Ernce (California Bar No. 179212)
 ORRICK, HERRINGTON & SUTCLIFFE LLP
 400 Capitol Mall, Suite 3000
 Sacramento, CA 95814-4497
 Telephone: (916) 447-9200
 Facsimile: (916) 329-4900
 Email: malevinson@orrick.com; lernce@orrick.com

Attorneys for the Official Committee of Equity Security Holders of
 USA Capital Diversified Trust Deed Fund, LLC

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re:
 USA COMMERCIAL MORTGAGE COMPANY,
 Debtor.

In re:
 USA CAPITAL REALTY ADVISORS, LLC,
 Debtor.

In re:
 USA CAPITAL DIVERSIFIED TRUST DEED
 FUND, LLC,
 Debtor.

In re:
 USA CAPITAL FIRST TRUST DEED FUND, LLC,
 Debtor.

In re:
 USA SECURITIES, LLC,
 Debtor.

Affects:

- ☐ All Debtors
- ☐ USA Commercial Mortgage Company
- ☐ USA Securities, LLC
- ☐ USA Capital Realty Advisors, LLC
- ☒ USA Capital Diversified Trust Deed Fund, LLC
- ☐ USA First Trust Deed Fund, LLC

Case No. BK-S-06-10725 LBR
 Case No. BK-S-06-10726 LBR
 Case No. BK-S-06-10727 LBR
 Case No. BK-S-06-10728 LBR
 Case No. BK-S-06-10729 LBR

Chapter 11

Jointly Administered Under
 Case No. BK-S-06-10725-LBR

**DECLARATION OF MARC A.
 LEVINSON IN SUPPORT OF
 ORRICK, HERRINGTON &
 SUTCLIFFE LLP'S FIRST
 INTERIM FEE APPLICATION
 (JUNE 1, 2006 - JULY 31, 2006)**

Date: September 28, 2006
 Time: 9:30 a.m.
 Place: Courtroom #1

1 I, Marc A. Levinson, declare as follows:

2 1. I am a partner in the law firm of Orrick, Herrington & Sutcliffe LLP
3 (“Orrick”), and have been admitted *pro hac vice* in this case this Court. I have personal
4 knowledge of the matters stated herein, and if called as a witness, I could and would
5 competently testify with respect thereto.

6 2. Orrick is counsel to Official Committee of Equity Security Holders of USA
7 Capital Diversified Trust Deed Fund, LLC (“DTDF Committee”). I am the Orrick partner
8 with primary responsibility for the representation of the DTDF Committee in the cases of the
9 above-captioned debtors (collectively, “Debtors”). I submit this declaration in support of
10 Orrick, Herrington & Sutcliffe LLP’s First Interim Fee Application (“Application”) for the
11 period of June 1, 2006 – July 31, 2006 (“Application Period”).

12 3. On May 10, 2006, the Office of the United States Trustee (“UST”) appointed
13 the DTDF Committee and three other official committees in the Debtors’ cases (collectively,
14 the “Chapter 11 Cases”). On June 1, 2006, the UST filed an amended notice of appointment
15 to the DTDF Committee. Currently, there are six official members of the DTDF Committee
16 and one *ex officio* member.

17 4. On June 1, 2006, the DTDF Committee retained Orrick to serve as its counsel.

18 5. On June 12, 2006, the DTDF Committee filed its application to employ Orrick
19 and my supporting declaration. Orrick filed my supplemental Levinson declaration and my
20 second supplemental declaration regarding Orrick’s employment on June 16, 2006 and
21 August 11, 2006, respectively. On June 22, 2006, this Court entered an order approving the
22 DTDF Committee’s employment of Orrick as its counsel, *nunc pro tunc* as of June 1, 2006.
23 A true and correct copy of the order is attached hereto as Exhibit A.

24 6. On August 25, 2006, pursuant to the Administrative Order Establishing
25 Procedures For Interim Compensation And Reimbursement Of Expenses Of Professionals
26 (Affects All Debtors) (“Interim Fee Procedures Order”), Orrick sent a monthly fee statement,
27 along with copies of its billing statements for the Application Period, to the Debtors, the UST,
28 and the other three official committees.

1 7. Orrick sent a copy of its June 2006 billing statement to the Chair of the DTDF
2 Committee, Robert G. Worthen, on August 18, 2006. On August 25, 2006, Orrick sent Mr.
3 Worthen a copy of its monthly fee statement, which included copies of its billing statements
4 for the entire Application Period.

5 8. The Application represents Orrick's first interim fee application for allowance
6 and payment of compensation for professional services rendered and reimbursement of actual
7 and necessary costs incurred on behalf of the DTDF Committee. True and correct copies of
8 Orrick's billing statements for June 2006 and July 2006 are attached hereto as Exhibits B
9 and C, respectively.

10 9. Without a request being made by any interested party, Orrick voluntarily
11 wrote off approximately \$15,000 of fees billed to this case as duplicative, unnecessary or
12 unproductive. The \$467,794.50 in total fees for the Application Period is net of the amount
13 voluntarily written off.

14 10. Mindful of the limited resources in this case, Orrick has voluntarily limited
15 its charges for travel time to and from Las Vegas and Salt Lake City to 2.5 hours each way,
16 although such travel generally takes longer. In fact, the actual travel time is approximately
17 3.5 hours each way and maximum time, due to flight delays and the like, can exceed (and has
18 exceeded) five hours.

19 Executed this 30th day of August at Sacramento, California.

20 I declare under penalty of perjury that the foregoing is true and correct.

21 

22 _____
23 Marc A. Levinson
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28

EXHIBIT A

**DECLARATION OF MARC A. LEVINSON
IN SUPPORT OF
ORRICK, HERRINGTON & SUTCLIFFE LLP'S
FIRST INTERIM FEE APPLICATION
(JUNE 1, 2006 THROUGH JULY 31, 2006)**



Entered on Docket
June 22, 2006

Hon. Linda B. Riegler
United States Bankruptcy Judge

Marc A. Levinson (California Bar No. 57613)
Lynn Trinka Ernce (California Bar No. 179212)
ORRICK, HERRINGTON & SUTCLIFFE LLP
400 Capitol Mall, Suite 3000
Sacramento, CA 95814-4497
Telephone: (916) 447-9200
Facsimile: (916) 329-4900
Email: malevinson@orrick.com; lernce@orrick.com

Brett A. Axelrod (Nevada Bar No. 5859)
Anne M. Loraditch (Nevada Bar No. 8164)
BECKLEY SINGLETON, CHTD.
530 Las Vegas Boulevard South
Las Vegas, NV 89101
Telephone: (702) 385-3373
Facsimile: (702) 385-5024
Email: bolson@beckleylaw.com; aloraditch@beckleylaw.com

Attorneys for the Official Committee of Equity Security
Holders of USA Capital Diversified Trust Deed Fund, LLC

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re:
USA COMMERCIAL MORTGAGE COMPANY,
Debtor.

In re:
USA CAPITAL REALTY ADVISORS, LLC,
Debtor.

In re:
USA CAPITAL DIVERSIFIED TRUST DEED
FUND, LLC,
Debtor.

In re:
USA CAPITAL FIRST TRUST DEED FUND, LLC,
Debtor.

In re:
USA SECURITIES, LLC,
Debtor.

Case No. BK-S-06-10725 LBR
Case No. BK-S-06-10726 LBR
Case No. BK-S-06-10727 LBR
Case No. BK-S-06-10728 LBR
Case No. BK-S-06-10729 LBR

Chapter 11

Jointly Administered Under
Case No. BK-S-06-10725-LBR

Date: June 21, 2006
Time: 9:30 a.m.
Place: Courtroom #1

Affects:

- ☐ All Debtors
- ☐ USA Commercial Mortgage Company
- ☐ USA Securities, LLC
- ☐ USA Capital Realty Advisors, LLC
- ☒ USA Capital Diversified Trust Deed Fund, LLC
- ☐ USA First Trust Deed Fund, LLC

**ORDER APPROVING APPLICATION BY THE OFFICIAL COMMITTEE OF EQUITY
SECURITY HOLDERS OF USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC,
TO EMPLOY ORRICK, HERRINGTON & SUTCLIFFE, LLP
NUNC PRO TUNC AS OF JUNE 1, 2006**

This Court, having considered the Application by the Official Committee Of Equity Security Holders of USA Capital Diversified Trust Deed Fund, LLC, to Employ Orrick, Herrington & Sutcliffe, LLP *Nunc Pro Tunc* as of June 1, 2006 and all subsequent, related pleadings, including the original and supplemental declarations of Marc A. Levinson (collectively, (the "Orrick Application")), as filed by the Official Committee of Equity Security Holders of USA Capital Diversified Trust Deed Fund, LLC (the "Diversified Committee"), being represented by Marc A. Levinson, Esq. of Orrick, Herrington & Sutcliffe LLP, and Anne M. Loraditch, Esq. of the law firm of Beckley Singleton, Chtd. at the hearing noted above; other appearances having been made upon the record; the Orrick Application and Supplemental Declaration of Marc A. Levinson in Support of the Orrick Application having been noticed to all creditors, investors and parties in interest pursuant to the Court's previous orders; the pleadings, papers and records on file in this matter; no objections having been filed; and it appearing to the Court that the attorneys at Orrick, Herrington & Sutcliffe, LLP are disinterested persons who do not hold or represent an interest adverse to the Debtors' estates in the matters upon which they are to be engaged, and that their employment for the purposes set forth in the Orrick Application is in the best interest of USA Capital Diversified Trust Deed Fund, LLC and its estate; and good cause appearing therefor,

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that the Orrick Application is granted, and the Diversified Committee is authorized to employ Orrick, Herrington & Sutcliffe, LLP as its bankruptcy counsel herein on the terms set forth in the Orrick Application, and any further order the Court may issue, effective as of June 1, 2006.

RESPECTFULLY SUBMITTED BY:

APPROVED/DISAPPROVED:

BECKLEY SINGLETON, CHTD.

SCHWARTZER & MCPHERSON LAW FIRM

By: /s/ Brett A. Axelrod

By: /s/ Jeanette McPherson

BRETT A. AXELROD, ESQ.
ANNE M. LORADITCH, ESQ.
530 Las Vegas Boulevard South
Las Vegas, NV 89101

LENARD SCHWARTZER, ESQ.
JEANETTE MCPHERSON, ESQ.
2850 South Jones Blvd., Suite 1
Las Vegas, NV 89146-5308

*Special Nevada Counsel for the Official
Committee of Equity Security Holders of
USA Capital Diversified Trust Deed
Fund, LLC*

Counsel for the Debtors

APPROVED/DISAPPROVED:

APPROVED/DISAPPROVED:

ORRICK, HERRINGTON & SUTCLIFFE LLP

LEWIS AND ROCA, LLP

By: /s/ Marc A. Levinson

By: /s/ Rob Charles

MARC A. LEVINSON, ESQ.
LYNN TRINKA ERNCE, ESQ.
400 Capitol Mall, Suite 3000
Sacramento, California 95814-4407

SUSAN M. FREEMAN, ESQ.
ROB CHARLES, ESQ.
3993 Howard Hughes Parkway, 6th Floor
Las Vegas, Nevada 89109

*Counsel for the Official Committee of
Equity Security Holders of USA Capital
Diversified Trust Deed Fund, LLC*

*Counsel for the Official Committee
of Unsecured Creditors of USA
Commercial Mortgage Company*

APPROVED/DISAPPROVED:

APPROVED/DISAPPROVED:

STUTMAN TREISTER & GLATT, P.C.

SHEA & CARLYON, LTD.

By: /s/ Christine Pajak

By: /s/ Candace C. Carlyon

FRANK A. MEROLA, ESQ.
EVE KARASIK, ESQ.
CHRISTINE PAJAK, ESQ.
1901 Avenue of the Stars, 12th Floor
Los Angeles, California 90067

JAMES PATRICK SHEA, ESQ.
CANDACE C. CARLYON, ESQ.
SHLOMO S. SHERMAN, ESQ.
233 South Fourth Street, 2d Floor
Las Vegas, Nevada 89101

*Counsel for the Official Committee of
Equity Security Holders of USA Capital
First Trust Deed Fund LLC*

*Special Nevada Counsel for the Official
Committee of Equity Security Holders of
USA Capital First Trust Deed Fund, LLC*

1 APPROVED/DISAPPROVED:

2 GORDON & SILVER, LTD.

3 By: /s/ Gregory E. Garman

4 GERALD M. GORDON, ESQ.

5 GREGORY E. GARMAN, ESQ.

6 3960 Howard Hughes Parkway, 9th Floor

7 Las Vegas, Nevada 89109

8 *Counsel for the Official Committee of*
9 *Holders of Executory Contract Rights of*
10 *USA Commercial Mortgage Company*

APPROVED/DISAPPROVED:

OFFICE OF THE U.S. TRUSTEE

By: /s/ August B. Landis

AUGUST B. LANDIS

SCOTT A. FARROW

300 Las Vegas Boulevard, Suite 4300

Las Vegas, Nevada 89101

Assistant United States Trustee

RULE 9021 DECLARATION

In accordance with Local Rule 9021, the undersigned certifies:

☐ The Court waived the requirements of LR 9021.

☒ I have delivered a copy of this proposed order to all attorneys and unrepresented parties who appeared at the hearing regarding this matter and/or who filed a written objection and each has:

☒ approved the form of this order;

☐ waived the right to review the order; and/or

☐ failed to file and serve papers in accordance with LR 9021(c); and
the following have disapproved the form of the order:

n/a

☐ No opposition was filed to the motion and no other party or counsel appeared at the hearing.

DATED this 21st day of June 2006.

BECKLEY SINGLETON, CHTD.

By: /s/ Anne M. Loraditch

BRETT A. AXELROD, ESQ.

Nevada Bar No. 5859

ANNE M. LORADITCH, ESQ.

Nevada Bar No. 8164

530 Las Vegas Boulevard South

Las Vegas, NV 89101

Telephone: (702) 385-3373

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EXHIBIT B

**DECLARATION OF MARC A. LEVINSON
IN SUPPORT OF
ORRICK, HERRINGTON & SUTCLIFFE LLP'S
FIRST INTERIM FEE APPLICATION
(JUNE 1, 2006 THROUGH JULY 31, 2006)**



Official Committee of Equity Security Holders of
USA Capital Diversified Trust Deed Fund, LLC

Attn: Robert G. Worthen, Chair

August 11, 2006
Client No. 17908
Invoice No. 1025672

Orrick Contact: Marc A. Levinson

FOR SERVICES RENDERED through June 30, 2006 in connection with
the matters described on the attached pages:

\$ 242,356.50

DISBURSEMENTS as per attached pages:

4,008.19

TOTAL CURRENT FEES & DISBURSEMENTS (Pay this Amount):

\$ 246,364.69

Matter(s): 17908/2 – USA Capital Diversified Trust Fund Commi

DUE UPON RECEIPT

In order to ensure proper credit to your account,
please reference your **INVOICE** and **CLIENT** numbers on your remittance.
For inquiries, call: (304) 231-2701. Fax (304) 231-2501.

REMITTANCE COPY - PLEASE RETURN WITH PAYMENT

REMITTANCE ADDRESS:

Orrick, Herrington & Sutcliffe LLP
File 72887 P.O. Box 61000
San Francisco, CA 94161-2887
Reference: 17908/ Invoice: 1025672
E.I.N. 94-2952627

OVERNIGHT DELIVERY:

Orrick, Herrington & Sutcliffe LLP
c/o Bank of America, File #72887
1455 Market Street, 21st Floor
San Francisco, CA 94103
(415) 436-4300

**ELECTRONIC FUNDS
TRANSFERS:**

Wire Transfers Only:

ABA Number 0260-0959-3
Bank of America
100 West 33rd Street, NY, NY 10001
Account of
Orrick, Herrington & Sutcliffe LLP
Account Number: 1499-4-10382
Reference: 17908/ Invoice: 1025672
E.I.N. 94-2952627

**ELECTRONIC FUNDS
TRANSFERS:**

ACH Transfers Only:

ABA Number 121-000358
Bank of America
San Francisco Main Branch
Account of
Orrick, Herrington & Sutcliffe LLP
Account Number: 1499-4-10382
Reference: 17908/ Invoice: 1025672
E.I.N. 94-2952627



Official Committee of Equity Security Holders of
USA Capital Diversified Trust Deed Fund, LLC

Attn: Robert G. Worthen, Chair

August 11, 2006
Client No. 17908
Invoice No. 1025672

Orrick Contact: Marc A. Levinson

For Legal Services Rendered Through June 30, 2006 in Connection With:

Matter: 2 - USA Capital Diversified Trust Fund Committee

Task B110 – Case Administration

06/01/06	M. Levinson	Review the PACER list of counsel with roles in the cases in connection with identifying Nevada counsel candidates and brief email memorandum to L. Ernce re the same (.20); initial review of a T. Allison declaration re the financial status of the debtors and re other matters (.10); voicemail message to A. Jarvis informing her of Orrick's selection, and follow-up email memorandum to A. Jarvis (.20); review a chain of email memoranda from A. Jarvis, S. Freeman, E. Karasik and others re setting up a June 5th meeting between the debtors and the various committees (.10); exchange a chain of follow-up email memoranda with A. Jarvis re the June 5th hearing and meetings (.20).	0.80	448.00
06/01/06	L. Ernce	Review case docket, certain pleadings and list of attorneys already participating in case for purposes of local counsel search (.50); emails to M. Levinson re certain firms unavailable for local counsel consideration (.10); review emails from E. Karasik re information for due diligence conflict check and attention to conflict check requests (.30); review M. Levinson email to A. Jarvis re Orrick's retention as counsel for Diversified Committee (.10); email to all Orrick attorneys for conflict check purposes (.10); review A. Jarvis emails re availability for introductory call and setting up meeting for Monday afternoon (.10).	1.20	558.00



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Official Committee of Equity Security Holders of USA Capital Diversified
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06/02/06	M. Levinson	Email memorandum to L. Ernce re the possible meeting of the committees and the debtors on June 5th (.10); review the docket (.30) long telephone conversation with S. Strong and L. Ernce re background, re the June 5th hearings and meetings and re next steps (.50); telephone conversation with R. Charles and L. Ernce re the June 5th hearings and meetings (.10); telephone conversation with S. Freeman, J. Chubb and L. Ernce re the same (.10); review a chain of emails from L. Schwartzer, A. Landis, R. Charles, E. Karasik, S. Freeman, C. Pajak and others re the meetings on June 5th (.20); conference with L. Ernce re the June 5th hearings and meetings (.20); review additional email memoranda re the upcoming meetings (.10); initial review of the draft confidentiality agreement and the L. Ernce email memorandum re the same (.10); attention to prospective Diversified Committee financial advisor and local counsel, including reviewing the lengthy email memorandum from T. Burr of the Sierra Consulting Group, reviewing an email from T. Lawyer recommending an attorney and exchanging email memoranda with A. Smith of Houlihan Smith and K. Thomas of Beckley Singleton (.30).	2.00	1,120.00
06/02/06	L. Ernce	Review email from M. Levinson re possible hearing and meetings on June 5 (.10); review email from C. Pajak and draft confidentiality agreement and joint defense agreement (.40); review online docket and stipulation authorizing setoff of Wells Fargo debt for conflict due diligence purpose and email to M. Levinson re same (.30); telephone conference with S. Strong and M. Levinson re case background and upcoming hearings and meetings (.50); telephone conference with R. Charles and M. Levinson re Monday's hearings (.10); telephone conference with M. Levinson, S. Freeman and J. Chubb re same (.10); review amended notice of appointment of Diversified Committee (.10); draft email memo to Diversified Committee members re same (.10); review responses from various committee members re same (.20); voicemail and email to S. Strong re information for conflict due diligence process (.10); conference with M. Levinson re matters related to Monday's meetings and hearings (.20); telephone	4.20	1,953.00



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Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
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August 11, 2006
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		conference with T. Burr re his interest in pitching to be financial advisor to Diversified Committee and review pitch materials, review T. Burr email re same and email to M. Levinson re same (.70); review exchange of emails re locations for Monday's meetings (.10); exchange emails with T. Burr re Diversified Committee has not yet selected local counsel (.10); review S. Katz email memo re Houlihan Smith as potential financial advisor and her thoughts re same, review pitch materials (.30); telephone conference with A. Landis re attempts to contact new committee members and errors in notice and email to A. Landis re same and updated contact information for new members (.20); review M. Levinson email to A. Smith at Houlihan Smith (.10); exchange emails with S. Strong and M. Levinson re conflict due diligence matters (.10); begin drafting Levinson and Ernce pro hac vice applications (.40).		
06/03/06	M. Levinson	Begin learning about the USA Mortgage operations and the case by reviewing pleadings and documents, commencing with a review of various T. Allison declarations and the exhibits attached thereto.	1.30	728.00
06/04/06	M. Levinson	Review and analyze the agenda for tomorrow's hearings and L. Ernce, R. Worthen and S. Katz email memoranda related thereto and to the "hold funds" motion (.30); lengthy conference with L. Ernce in preparation for next steps, including the hearings and meetings in Las Vegas tomorrow (1.10); review notes and email memoranda (.20); follow-up email memorandum to L. Ernce re the employment of a financial advisor and review an email memorandum from a Diversified Committee member re one of the candidates (.20); continue reviewing pleadings and documents in connection with learning about the business and the case (.40).	2.20	1,232.00



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Official Committee of Equity Security Holders of USA Capital Diversified
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August 11, 2006
Invoice No. 1025672

06/04/06	L. Ernce	Gather, organize and review pleadings and documents in preparation for tomorrow's hearings (1.20); conference with M. Levinson re strategies for tomorrow's hearings and client meetings (1.10); review M. Levinson emails re due diligence for selection of financial advisor (.10); draft and revise pro hac vice applications for L. Ernce and M. Levinson (.40); travel to Las Vegas for meetings, reviewing documents and preparing en route (2.50).	5.30	2,464.50
06/05/06	M. Levinson	Initial review of the draft motion to establish protocols for communications with the investors represented by the various committees (.30); telephone conversation with A. Parlen re the First Trust Committee's motion to shorten time to June 15th for a hearing on the information protocols motion (.20); follow-up telephone conversation with A. Parlen re the same in light of related developments in today's hearing (.10); exchange brief email memoranda with several Nevada counsel candidates (.20); telephone conversation with R. Olson of Beckley Singleton re that firm possibly having been selected by the Diversified Committee (.20); further review of the draft motion to establish information protocols (.30); long telephone conversation with L. Ernce re today's hearings and meetings and re next steps (.30); further review of documents, including proposals by financial advisor candidates (.30).	1.90	1,064.00
06/05/06	L. Ernce	Review pleadings and prepare for today's hearings and meetings (1.00); attend hearings on various motions and make first appearance as proposed counsel for Diversified Committee (2.50); conference with F. Weinman and R. Worthen re removal of Weinman from Diversified Committee due to undisclosed conflict and conference with A. Landis re same (.20); email memos to M. Levinson re today's events and re status of hiring of Beckley Singleton as local counsel (.20); return travel to Sacramento (2.50); telephone conference with M. Levinson re today's hearing and meetings and next steps (.30).	6.70	3,115.50



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Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
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August 11, 2006
Invoice No. 1025672

06/06/06	M. Levinson	<p>Long conference with L. Ernce re yesterday's hearing, meetings and developments and re next steps (1.10); telephone conversation with R. Olson re his firm possibly serving as local counsel and telephone conversation with L. Ernce re hers with A. Loraditch re the same (.10); further attention to the draft confidentiality and information protocols, including reviewing S. Freeman's proposed changes (.70); long conference call with C. Pajak, S. Sherman, S. Freeman, L. Ernce and S. Strong (for part) re the confidentiality agreement and the form of motion for information protocols (.90); review further email memoranda re the draft from various committee counsel and from A. Jarvis (.10); review a number of short email memoranda from various committee counsel re issues arising from the draft information protocols motion (.20); telephone conversation with J. Walters of XRoads Financial, a financial advisor candidate (.20); review L. Ernce email memorandum re the definition of confidential information in the draft motion, telephone conversation with L. Ernce re her conversation with C. Pajak re the same, follow-up email memorandum to committee counsel re the same, review C. Pajak response thereto (.30); further attention to the revised draft motion for information protocols (.70); review the next draft of the information protocols motion circulated by A. Parlen, review the Gordon & Silver comments to the previous draft, interlineate comments to the A. Parlen draft, and transmit to all committee counsel under cover of a lengthy email memorandum commenting on the Gordon & Silver comments (.80); review S. Freeman and A. Parlen email responses to my comments to the draft information protocols motion and to the Gordon & Silver comments thereto (.10).</p>	5.20	2,912.00
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Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
page 6

August 11, 2006
Invoice No. 1025672

06/06/06	L. Ernce	Conference with M. Levinson re yesterday's hearing and meetings and next steps (.10); telephone conference with A. Loraditch of Beckley Singleton re possible retention as local counsel (.20); conference with M. Levinson re same (.10); review emails re status of joint protocols motion (.10); review and comment upon draft joint protocols motion (.30); telephone conference with First Trust Committee professionals and M. Levinson re joint protocols motion and confidentiality issues (.90); review emails and proposed changes to motion by unsecured creditors committee (.20); review draft order shortening time pleadings for joint protocols motion and emails re status of comments from other committees (.10); email memo to C. Pajak and S. Sherman re definitions of "confidential information" in confidentiality agreement (.10); due diligence for purposes of pro hac vice applications (.30); review M. Levinson email memo re issues with confidentiality definition and emails from C. Pajak re same (.10); email to G. Garman seeking consent for order shortening time and review G. Garman response re timing issue (.10); review A. Parlen email memo re decision about definition of confidential information for joint protocols motion (.10); draft email memo to F. Weinman confirming his removal from committee (.10); attention to case administration matters and conferences with J. Pulliam re setting up client files (.20); review M. Levinson email and revisions to joint protocols motion (.10); email to A. Parlen re additional changes (.10); telephone conference with M. Levinson re status matters, his call with R. Worthen and related matters (.20).	4.40	2,046.00
06/06/06	L. Ernce	Further due diligence for pro hac vice application.	0.10	46.50
06/07/06	K. Neureiter	Confer with M. Levinson re new matter and background and next steps.	0.40	150.00
06/07/06	K. Neureiter	Review USA Mortgage website re background.	0.60	225.00



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Official Committee of Equity Security Holders of USA Capital Diversified
Trust Deed Fund, LLC - 17908
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August 11, 2006
Invoice No. 1025672

06/07/06	M. Levinson	<p>Conference with L. Ernco re next steps following the Diversified Committee conference call and exchange brief email memoranda with L. Ernco re the same (.20); telephone conversation with J. Walters and A. Stevenson of XRoads, a potential financial advisor (.50); review the next draft of the information protocol motion, listen to the E. Karasik voicemail message re the same, and email all counsel with my approval and suggest changes to the draft (.60); review the draft motion for order shortening time on the information protocol motion, review the draft order granting the shortened time request and email to all counsel with my comments on the same (.30); review brief email memoranda from various committee counsel re the most recent draft of the information protocols motion and the order shortening time (.20); long telephone conversation with K. Neureiter re case background and re next steps (.40); review additional email memoranda re the information protocols motion and the order shortening time, including the A. Parlen email to A. Landis (.10); conference with L. Ernco re the foregoing and re next steps (.20); telephone conversation with J. Hermann re background and re his role in the matter, namely focusing on the two large loans made by the Diversified Fund (.40); follow-up email memoranda to J. Hermann transmitting relevant pleadings (.10); telephone conversation with C. Carlyon and J. Shea re status matters and re Nevada counsel and financial advisor candidates (.20); telephone conversation with L. Ernco re various status matters (.10); review lengthy L. Ernco email memorandum to K. Neureiter re revising the draft Diversified Committee by-laws (.10); long telephone conversation with B. Olson and A. Loraditch, potential Nevada counsel, re case status and strategic issues (.60); follow-up conference with L. Ernco re the same and re other matters (.10); follow-up conversation with J. Hermann re a number of background matters (.20).</p>	4.30	2,408.00
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Official Committee of Equity Security Holders of USA Capital Diversified
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06/07/06	M. Levinson	<p>Telephone conversation with Nevada counsel candidate N. Leatham, with L. Ernce (.50); exchange of email memoranda with S. Sherman, E. Karasik, L. Ernce and others re the proposed Bundy Canyon order (.10). review final versions of the information protocols motion, the notice and the order shortening time, brief telephone conversation with A. Parlen re the same, sign and email the signature pages to S. Sherman (.20); review proposed website posting by the First Trust Committee and the cover email from C. Carlyon, and exchange follow-up email memoranda with L. Ernce re the same (.20); telephone conversation with S. Sherman re the website posting and follow-up conversation with L. Ernce re the same (.10); conference with L. Ernce re next steps (.10).</p>	1.20	672.00
06/07/06	L. Ernce	<p>Conference with M. Levinson re next steps in light of discussions during Diversified Committee conference call (.20); conference with M. Levinson re joint protocols motion and order shortening time (.20); telephone conference with M. Levinson re status matters (.10); telephone conference with M. Levinson with Beckley Singleton attorneys as potential Nevada counsel (.40); telephone conference with Nevada counsel candidate, N. Leatham, and M. Levinson (.50); detailed voicemail message to other Nevada counsel candidate, Winterton, suggested by R. Worthen (.10); review email from C. Carlyon re proposed posting of contact information for committees on First Trust Deed fund's website (.10); review and revise next version of joint protocols motion and review pleadings re order shortening time (.30); review voicemail from and draft email memo to T. Burr re his interest in serving as financial advisor (.10); draft email memo to K. Neureiter re necessary revisions to Diversified Committee by-laws (.20); review order on Bundy Canyon motion and email to M. Levinson re not signing it since it precedes our involvement in the case (.10); exchange emails with other counsel re errors on Bundy Canyon order re hearing date and our inability to sign on behalf of Diversified Committee (.10); review exchanges of emails re debtors' desire to have a call with committees tomorrow afternoon to discuss a variety of proposed transactions (.20);</p>	4.20	1,953.00



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review emails and documents forwarded by E. Karasik for tomorrow's call (.30); conference with M. Levinson re proposed call for tomorrow afternoon with debtors and committees (.10); review J. Hermann email memo re comparison of loan charts (.10); review further documents from E. Karasik re tomorrow's call (.40); email to Orrick IT personnel requesting setup of Diversified Fund email account and mailbox (.10); review M. Levinson email to J. Hermann re Diversified loans and review latest chart (.10); review J. Hermann emails re errors in same (.20); review letter from First Trust fund to debtors requesting meeting with debtors and email memo to Diversified Committee re same (.10); review S. Scann email with revised R. Russell declaration in advance of tomorrow's telephone conference and review declaration (.10); review email from A. Jarvis requesting a second meeting after conference call tomorrow and review email re details of proposed Amesbury/Hatterspoint transaction (.10).

06/07/06	J. Hermann	Conference with M. Levinson regarding case status and background and project of gaining information on Diversified loans and review and analysis of documents provided regarding the same.	0.40	228.00
06/08/06	S. White	Conference with M. Levinson regarding insurance-related research associated with committee members (.10); conduct Internet research regarding potential insurance available specifically related to committee members in a chapter 11 case (3.20); conference with M. Levinson regarding results of research (.10).	3.40	629.00



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06/08/06	M. Levinson	<p>Lengthy email memorandum to M. Kenelly of Huron, a financial advisor candidate, re the form of Huron's promised submission to the Diversified Committee (.20); telephone conversation with M. Kenelly re the same (.20); telephone conversation with S. White re the possibility of insurance for Diversified Committee members (.10); exchange lengthy email memoranda with A. Jarvis re arranging a conference call with the debtors to discuss status and next steps matters (.20); telephone conversation with L. Ernce re a number of matters, including her telephone conversation with S. Katz, re financial advisors, re the agenda for tomorrow's Diversified Committee conference call and re each of the agenda items (.40); exchange email memoranda with S. Sherman re the posting of information about the Diversified Committee on the website of the First Trust Committee and review the draft text (.20); review lengthy C. Pajak email memorandum by the establishment by BMC of committee websites (.10); telephone conversation with T. Lumsden of FTI, a financial advisor candidate (.10); follow-up telephone conversation with T. Lumsden (.10); exchange a series of short email memoranda with representatives of four FA candidates re finalizing and transmitting their submissions (.20); telephone conversation with L. Ernce re the various calls coming up this afternoon and re other matters (.20); telephone conversation with A. Stevenson of XRoads, a financial advisor candidate (.10); review S. White email memorandum re insurance for the Diversified Committee and analysis re next steps in light of the same (.20); participate in a chain of lengthy email memoranda re the establishment of an email address for inquiries to the Diversified Committee (.20); review the proposals submitted by the four financial advisor candidates in preparation for tomorrow's Diversified Committee conference call (.40).</p>	2.90	1,624.00
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06/08/06	L. Ernce	Review and revise draft by-laws and email same to Diversified Committee for review (.30); email memo to M. Levinson re status of confidentiality agreement and related matters (.10); conference with M. Levinson re tomorrow's Diversified Committee meeting, my call with S. Katz and re selection of financial advisors (.40); telephone conference with M. Levinson re his calls with various financial advisor candidates (.20); review R. Mason email re G. Kantor's interests and draft email memo to M. Levinson re same (.10); attention to matters related to setting up email address for Diversified Committee (.40); review email from T. Burr following up on Sierra's interest to serve as financial advisor to Diversified Committee and draft response (.10); review Huron Group's pitch materials to serve as financial advisor (.30); exchange emails with M. Levinson re his various due diligence calls on potential financial advisors (.10); review S. White email memorandum re her research into potential insurance coverage for committee members (.10).	2.10	976.50
06/08/06	M. Levinson	Telephone conversation with K. Neureiter re the draft Diversified Fund by-laws.	0.20	112.00
06/08/06	L. Ernce	Review email and draft order denying Benincasa motion.	0.10	46.50
06/09/06	S. White	Two telephone calls with J. Morgan regarding insurance available to committee members (.20); prepare email to M. Levinson re same (.10).	0.30	55.50
06/09/06	M. Levinson	Email memoranda to each of M. Tucker and A. Stevenson re their firms' billing rates, and review their responsive email memoranda (.30); telephone conversation with A. Loraditch and L. Ernce re the retention of Beckley Singleton and re next steps (.30); telephone conversation with M. Tucker with L. Ernce re the retention of FTI and re next steps (.20); voicemail messages to N. Leatham and M. Kenelly and telephone conversation with A. Stevenson, telling each that his firm had not been selected by the Diversified Committee, and review L. Ernce email memorandum to T. Burr re the same message (.20); begin reviewing the debtors' motion to remove the chair of the direct lenders committee, the motion for DIP financing and the other so-called emergency filings (.40).	1.40	784.00



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06/09/06	L. Ernce	Attention to matters related to setting up Diversified Fund email account (.30); review email from S. White re further follow-up on possibility of insurance coverage for committee members (.10); telephone conference with S. Sherman re new Diversified Fund email account (.10); email memos to A. Loraditch re forms of confidentiality agreement with debtors and joint defense agreement with First Trust Committee (.10); email to E. Karasik re task billing categories being used by her firm and email to M. Levinson re same (.10); review and respond to emails from A. Loraditch and B. Olson re section 1102(b)(3) issues in connection with joint defense agreement (.20); review materials on 1102(b)(3) sent by A. Loraditch (.10).	1.00	465.00
06/09/06	L. Ernce	Voicemail to T. Burr and email to T. Burr re Sierra was not selected as financial advisor (.10); review A. Landis email raising issue about exculpation provisions in joint protocols motion and email response from E. Karasik (.10).	0.20	93.00
06/10/06	M. Levinson	Further attention to yesterday's flood of requests for orders shortening time and to reviewing the various motions including the DIP financing motion and term sheet, the motion for authority to settle with Investment Partners and the motion to remove the chair of the direct lenders committee.	0.80	448.00
06/11/06	M. Levinson	Conference with L. Ernce re recent developments and re next steps, including preparing for the upcoming call with M. Tucker of FTI (.40); long telephone conversation with M. Tucker and L. Ernce re background, strategies and next steps (1.00); two brief follow-up email memoranda to M. Tucker and review a number of brief L. Ernce follow-up email memoranda to M. Tucker (.20); initial review of the debtors' 13-week budget dated June 9th (.20).	1.80	1,008.00



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06/11/06	L. Ernce	<p>Confer with M. Levinson re status of various matters related to Diversified Committee and upcoming call with M. Tucker of FTI (.40); re-review portions of FTI proposal materials in advance of call (.30); telephone conference with M. Tucker and M. Levinson re case status, strategy matters and next steps now that the Diversified Committee has selected FTI as its financial advisor (1.00); email to M. Tucker re motion to hold funds and joinder in same by First Trust Committee (.10); exchange emails with M. Levinson re the motion to remove Fertita (.10); email to M. Tucker re motion to forbear and provide additional funding and additional documentation on pleadings received from debtors (.20); review email from M. Tucker re issues related to Investment Partners and M. Levinson email re same (.10); email to M. Tucker re confidentiality agreement with debtors and related issues (.10); review order denying Benincasa motion and email to M. Levinson re approval of same (.10); email to debtors' counsel re case administration matters including master service list and necessary changes (.10); review debtors' new 13-week budget and email memo to Diversified Committee re same (.20); attention to case administration matters (.20).</p>	2.90	1,348.50
06/12/06	M. Levinson	<p>Exchange voicemail messages with J. Davidson re trying to arrange a meeting with the debtors and voicemail message to L. Ernce re the same (.10); attention to establishing task billing categories, including review of A. Parlen and L. Ernce email memoranda re the same and revising the Stutman categories (.20); telephone conversation with employment A. Loraditch and L. Ernce re the various motions filed on June 9th and re next steps in connection with the same (.20); telephone conversation with M. Tucker, J. Hermann and L. Ernce re the same (.30); review the U.S. Trustee's limited objection to the information protocols motion and the suggested new paragraph in response thereto forwarded by A. Parlen (.20); review the brief follow-up email memoranda from S. Freeman and T. Gray approving the proposed new language and email the various committee counsel with my consent (.20); follow-up conversations with J. Hermann and M. Tucker re the securing the claim motion</p>	2.50	1,400.00



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06/12/06	L. Ernce	<p>(.10); review lengthy A. Jarvis email memorandum to committee counsel re meetings on June 15th and exchange a series of follow-up email memoranda with A. Jarvis re the same (.30); review L. Ernce email memorandum explaining the debtors' limited objection to the information protocols motion and re-review portions of the motion in light thereof (.30); exchange follow-up email memoranda with E. Karasik re a possible pre-meeting and review E. Karasik email memoranda to A. Jarvis (.20); review lengthy D. Monson email justifying the short notice period for the various motions (.10); exchange a series of email memoranda with counsel for the various committees re the requested extension to time to filed objections to the emergency motions filed on June 9th (.20); review L. Ernce email memorandum to many professionals telling them that the Diversified Committee had retained Beckley (.10). Telephone conference with M. Levinson and A. Loraditch re motions filed by debtors on June 9 and responding to same (.20); telephone conference with M. Tucker and M. Levinson re same (.30); attention to technical issues related to establishment of Diversified Fund email account (.20); review master service list provided by debtors' counsel and email to J. Pulliam re same (.10); telephone conference with R. Santwer of Purdue (debtors' public relations firm) re Diversified Committee members and email to R. Santwer re same (.20); email memos to J. Hermann re DIP motion, Investment Partners motion and other pleadings (.10); attention to case management matters, including calendaring of key dates (.20); exchange emails with A. Loraditch re local practice rules re signing of pleadings (.10).</p>	1.40	651.00
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06/12/06	L. Ernce	Telephone conference and exchange emails with A. Parlen re U.S. Trustee's limited objection to joint protocols motion and modifying exculpation clause (.20); review U.S. Trustee's limited objection (.10); review other limited oppositions to joint protocols motion and email to M. Levinson re same (.10); review direct lenders' opposition to debtors request for orders shortening time (.10); review D. Monson email to E. Karasik responding to questions about motion for authority to forbear and provide additional funding on certain loans (.10).	0.60	279.00
06/13/06	M. Levinson	Review S. Freeman email memorandum and review and analyze lengthy G. Garman email memorandum commenting on the same (.20); review lengthy E. Monson email memorandum rejecting the suggested confidentiality language in the G. Garman proposal (.10); telephone conversation with L. Ernce, A. Loraditch, B. Olson and M. Tucker (for part) re numerous status matters and in preparation for this afternoon's Diversified Committee conference call (.40); follow-up telephone conversation with J. Hermann and L. Ernce (.10); follow-up email memorandum to the Diversified Committee team of professionals re the conference call later today, and follow-up email memorandum to A. Jarvis re the Thursday meetings in Las Vegas (.20); long telephone conversation with A. Jarvis re a wide range of issues (.30).	1.30	728.00
06/13/06	M. Levinson	Review three A. Jarvis email memoranda, each proposing an agenda for the all-committee meetings on June 15th following the hearings, and review brief E. Karasik follow-up email memoranda (.20); review proposed stipulation extending the time to respond to the June 9 motions and the L. Schwartz email memorandum re the same (.10); analysis re the proposed agendas, and send one email for each to the other professionals employed by the Diversified Committee (.20).	0.50	280.00
06/13/06	L. Ernce	Review exchanges of emails among counsel for debtors and committees re setting up meetings for Thursday afternoon after omnibus hearing (.10); telephone conference with E. Karasik and M. Levinson re status of discussions with debtor on communications with committees, her committee's anticipated positions on some of the	4.90	2,278.50



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motions being heard on shortened time and strategy matters (.30); telephone conference with B. Olson and A. Loraditch re status of professionals' employment applications, strategies for responding to multiple motions and today's conference call with Diversified Committee, with M. Tucker of FTI for part (.40); telephone conference with J. Hermann and M. Levinson re status matters and draft response on motion to approve the Investment Partners agreement (.10); conference with M. Levinson re his call with A. Jarvis regarding upcoming meetings and related matters (.10); telephone conference with E. Karasik re division of labor between two fund committees in responding to debtors' multiple motions (.10); email to Diversified Committee legal team re same and my recommendations (.10); review draft joint reply to joint protocols motion and email to other counsel that Diversified Committee accepts and will join in reply (.20); telephone conference with A. Parlen re his call with direct lenders' committee on joint reply and status of direct lenders' confidentiality agreement negotiations (.10); attention to matters related to setting up technology for separate Diversified Fund electronic mailbox for use in communicating with investors including multiple conferences with Orrick IT professionals re same (.70); review and exchange emails re agendas for next joint meeting (.10); review A. Jarvis email memo and substantially revised form of confidentiality agreement proposed by direct lenders' committee (.20); email memo to M. Levinson re my thoughts re same (.10); exchange emails with E. Monson and J. Miller re setting up individual committee websites on BMC website (.10); exchange emails with A. Parlen re draft joint defense agreement between two fund committees (.10); review draft joint reply to oppositions to joint protocols motion and S. Freeman comments (.20); email memo to M. Levinson re same and email to other committees approving same (.10); review email memo from J. Hermann re limited objection to Investment Partners motion (.10); exchange emails with M. Tucker re confidentiality issues (.10); draft acknowledgement of confidentiality agreement for FTI (.20); attention to case



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		administration matters including calendaring matters (.10); email to E. Karasik re status of response to cash management motion and possibility of joinder by Diversified Committee (.10); review draft stipulation to extend opposition deadlines (.10); review M. Tucker emails with 10-90 loan information (.20); initial review of First Deed Trust committee's draft objection to cash management motion (.10); review news articles re bankruptcy cases (.10); attention to finalizing confidentiality agreement and email memo to A. Jarvis and L. Schwarter re same (.20); review email memo from E. Monson rejecting form of confidentiality agreement proposed by direct lenders (.10); exchange emails with M. Tucker re R. Russell relationship with various loans and related matters (.20); review exchange of emails with other committees and debtors re proposed agendas for next joint meeting (.20).		
06/13/06	J. Hermann	Participate in exchange of email correspondence regarding issues related to termination of servicer, termination of manager, and research regarding the same.	1.30	741.00
06/13/06	L. Ernce	Conference with M. Levinson re preparing for today's conference call with Diversified Committee and Thursday's hearing and meetings.	0.20	93.00
06/14/06	M. Levinson	Review G. Garman and L. Ernce email memoranda re the direct lenders' proposed changes to the draft response to the objections to the information protocol motion, and confer with L. Ernce re the same and re other matters relating to tomorrow's hearings and meetings (.30); review email memoranda from S. Freeman and several other counsel re the debtors' response to the information protocols memorandum and the various committees' responses thereto, and telephone conversation with L. Ernce re the same (.20); review lengthy A. Parlen email memorandum re the status of the reply re the information protocols motion and re next steps (.10); telephone conversation with M. Tucker re tomorrow's hearings and meetings (.10); review a chain of email memoranda from C. Pajak, E. Karasik, L. Ernce and others re the deadline for filing oppositions to the debtors' motions filed on June 9th (.10); begin preparing for tomorrow's hearings and meetings by reviewing the various	4.30	2,408.00



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		<p>motions set for tomorrow and for June 21st (.60); exchange several brief email memoranda with A. Loraditch re tomorrow's hearings and meetings (.10); review E. Karasik email memorandum to A. Jarvis re the agenda for tomorrow's meetings (.10); travel to Las Vegas reviewing pleadings and documents en route (2.50); business portion of dinner with M. Tucker and C. Harvick during which we discuss issues that will arise in the hearings and at the meetings (.20).</p>		
06/14/06	J. Hermann	Conference with K. Neureiter regarding research and analysis on issues pertaining to servicing agreement and operating agreement of Diversified Fund and related matters.	0.60	342.00
06/14/06	J. Hermann	Review and analysis of servicing agreement in connection with possible remedies available to Diversified Fund.	0.30	171.00
06/14/06	J. Hermann	Further review and analysis of pleadings filed on issue of termination of servicing rights and case authorities cited therein and participation in exchange of email correspondence regarding the same in connection with possible remedies available to Diversified Fund.	2.10	1,197.00
06/14/06	L. Ernce	Review next version of draft joint reply on joint protocols motion and telephone conference with A. Parlen re direct lenders' view re same (.30); exchange emails with other committee counsel re objections to joint protocols motion and conference with M. Levinson re same (.40); further exchange of emails re same and telephone conference with M. Levinson (.20); exchange emails with C. Carlyon re status of stipulation to extend time to respond to various motions set for hearing on shortened time for June 21 (.20); review A. Parlen email, debtors' reply to joint protocols motion and proposed response and email to A. Parlen re same (.20); telephone conference with M. Levinson re same and execute signature page approving reply (.10).	1.40	651.00
06/15/06	K. Neureiter	Review emails and attachments forwarded from J. Hermann related to termination of servicing contract.	0.50	187.50



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06/15/06	M. Levinson	Continue reviewing pleadings and documents in preparation for the upcoming hearings and meetings (.60); meetings with C. Harvick and M. Tucker, with B. Olson and A. Loraditch (for part) in preparation for the hearings and meetings, with a telephone conversation with J. Hermann during the course of such preparation (1.30); attend the omnibus hearing calendar (which included motions for relief from the stay to terminate servicing agreements and the "hold funds" motion) and meet with numerous counsel, financial advisors, Diversified Committee members and investors during breaks (4.30); attend public meeting at the U.S. Trustee's office of the debtor, the four committees, the U.S. Trustee and a number of investors (1.90); follow-up meetings and discussions with M. Tucker and C. Harvick, with A. Loraditch and B. Olson for part (.30); travel to Sacramento, discussing DIP financing issue with F. Merola and E. Karasik at the airport and preparing en route for tomorrow's conference calls and for the June 21st hearings (2.50).	10.90	6,104.00
06/15/06	J. Hermann	Review and analysis of results of research on changing servicers and changing managers and procedures and benefits for doing so and consideration and analysis of strategy issues in connection with the same.	0.90	513.00
06/15/06	J. Hermann	Participate in conference call with debtor representatives after bankruptcy court hearings today (partial charge - actual time was greater).	0.70	399.00
06/16/06	M. Levinson	Telephone conversation with M. Tucker re the revised draft budget (.20); telephone conversation with L. Ernce re various case administration and next steps matters (.10).	0.30	168.00
06/16/06	L. Ernce	Telephone conference with M. Levinson re case status matters (.10); attention to case administration matters (.50).	0.60	279.00
06/16/06	J. Hermann	Further review and analysis of Diversified Fund Operating Agreement and servicing agreement in connection with issues pertaining to motions filed by direct lenders and possible termination of servicing and management contracts in favor of USACM.	0.90	513.00
06/18/06	M. Levinson	Analysis re various strategic options, including the review of a number of email memoranda in connection with the same.	0.40	224.00



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06/19/06	M. Levinson	Email memorandum to A. Jarvis re next steps and telephone conversation with J. Hermann re the same, with a focus on DIP financing and his upcoming trip to Las Vegas to review 10-90 and EPIC documents (.20); conference in preparation for the June 21 hearings with L. Ernce and telephone conversation with C. Harvick, M. Tucker and L. Ernce re the same (.50); exchange a series of brief email memoranda with R. Charles, M. Kvarda, E. Karasik, A. Jarvis and others re the possible all-hands call later this morning (.10); participate in a chain of email memoranda with numerous counsel re the re-scheduling of the June 21st hearing to 8:00 a.m. and re next steps in light of the same (.20); telephone conversation with J. Hermann (who is at USA Mortgage) and L. Ernce re his review of various loan files and re next steps (.30).	1.30	728.00
06/19/06	J. Hermann	Travel to debtor's offices in Las Vegas.	2.50	1,425.00
06/20/06	M. Levinson	Begin re-reviewing the numerous pleadings filed by the debtors this afternoon in connection with tomorrow's hearings (.30); travel from Sacramento to Las Vegas, reviewing notes, emails and pleadings in preparation for tomorrow's hearings en route (2.50).	2.80	1,568.00
06/21/06	M. Levinson	Attend the portions of the omnibus hearing relating to status and scheduling matters, to the motion to remove Fertitta from the direct lenders' committee, to the cash management motion and to the information protocols motion, and discussions with counsel, accountants and investors in the hallway and in the courtroom during recesses (5.50); conference with J. Hermann and M. Tucker re next steps in light of today's hearings and meetings (.50); travel from Las Vegas to Sacramento, preparing notes en route for an email to and oral presentation to the Diversified Committee about today's hearings and meetings (2.50).	8.50	4,760.00
06/21/06	J. Hermann	Conference with M. Levinson and M. Tucker regarding results of bankruptcy court hearing and next steps.	0.50	285.00
06/21/06	J. Hermann	Travel from Las Vegas after bankruptcy court hearings and further consideration and analysis of overall case strategy and loan collection issues en route.	2.50	1,425.00



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06/22/06	L. Ernce	Revise and finalize L. Ernce and M. Levinson pro hac vice applications (.30); email to J. Hermann re same and emails with A. Loraditch re same (.10); review J. Hermann finalized pro hac vice application and email to A. Loraditch re same (.10); exchange emails with A. Loraditch re logistics for obtaining electronic service (.10).	0.60	279.00
06/22/06	L. Ernce	Attention to various case administration matters including continuing to work with J. Pulliam to set up loan and case files and establishing email accounts and website.	2.50	1,162.50
06/22/06	M. Levinson	Exchange email memoranda with S. Sherman re his preparation of orders relating to the rulings at yesterday's omnibus hearings (.10); telephone conversation S. Sherman re the same (.10); telephone conversation with A. Loraditch, with L. Ernce and B. Axelrod re yesterday's hearings and re next steps in light thereof (.70); follow-up conference with L. Ernce (.10); telephone conference with J. Hermann re next steps (.30); review the form of order denying the Fertitta motion, sign the same and email memorandum to G. Gordon re the same (.10); review the various proposed forms of order re the Boise/Gowen relief from stay motion and the various email memoranda re the same, sign the form of order and email it to the various counsel (.30); review the draft PDG order and the various email memoranda re the same, sign the form of order and email it to the various counsel (.20); long telephone conversation with C. Harvick and M. Tucker, with J. Hermann for part, re yesterday's hearings and tomorrow's Diversified Committee conference call and re the A. Jarvis email memorandum re next week's all-hands meeting (.80); review the draft order granting the information protocols motion, review the R. Charles comments to the same, revise the draft using Track Changes and send to all hands under cover of an explanatory email memorandum (.80); email memorandum to all hands re the A. Jarvis email concerning the June 29th meeting (.20); analysis re next steps in light of the A. Jarvis email memorandum (.10); email memorandum to A. Jarvis re the all hands meetings, as proposed in her email memorandum, and follow-up email memorandum to the Diversified Committee professionals (.20);	4.40	2,464.00



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06/22/06	L. Ernce	follow-up email memorandum to M. Tucker re the agenda (.20); review a series of E. Karasik and A. Jarvis follow-up email memoranda re the two agendas and re various agenda items (.20). Exchange and review multiple emails re approval of orders on PDG motion, Boise/Gowen motion, joint protocols motion Canepa motion and Fertita motion.	0.30	139.50
06/23/06	L. Ernce	Exchange emails with A. Loraditch re filing pro hac vice applications for L. Ernce, M. Levinson and J. Hermann (.10); draft and finalize designation of local counsel (.20); exchange email with A. Loraditch re filing pro hac vice applications and designation of local counsel (.10).	0.40	186.00
06/23/06	M. Levinson	Further review of the draft order approving the information protocols motion (.20); review and participate in an exchange of short follow-up email memoranda with various counsel re the same (.10); review the next draft of the order, sign the same and email to A. Parlen (.20); review A. Jarvis email memorandum re the June 29th all-hands meeting that now may be a conference call, and follow-up email to the Diversified Committee professionals re the same (.10); telephone conversation with L. Ernce re the foregoing and re next steps (.10); exchange many more email memoranda re the form of order approving the information protocols motion (.20); review the proposed form of orders re the motions to return funds to the Alexanders and to G. Ronning, review and respond to various email memoranda re the same, sign the orders and email them to various parties (.20); exchange of further email memoranda with A. Jarvis, G. Garman and others re the form of information protocols order and the finalizing of the same (.20); review another A. Jarvis email memorandum re conference call meetings next week and agendas for the meetings (.10).	1.40	784.00
06/25/06	M. Levinson	Review numerous email memoranda sent and received over the past few weeks in preparation for the all hands and Diversified Committee conference calls this week, and analysis re next steps in connection with the same.	1.60	896.00



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06/26/06	M. Levinson	Exchange email memoranda with A. Jarvis re upcoming meetings and next steps, and send a follow-up email memorandum to the Diversified Committee professionals (.10); telephone conversation with M. Tucker re the foregoing and re numerous other next steps issues (.40); review the proposed "hold funds" order, sign the same and return it to L. Dorsey (.10); review E. Karasik and A. Jarvis re the all-hands calls tomorrow and on the 29th, and conference with L. Ernce re the same and re notifying the members of the Diversified Committee (.20); review A. Parlen and A. Landis email memoranda re continuing the objection date to the case management motion, and respond to the same (.10); review end-of-the-day exchange of A. Jarvis, E. Karasik and other email memoranda re the agenda for tomorrow morning's all-hands call (.10).	1.00	560.00
06/26/06	L. Ernce	Exchange emails and telephone conferences with A. Loraditch re electronic notices in cases and re proofs of claim notices and attention to technical issues regarding the same (.60); attention to other case administration matters related to files and client documents (.40).	1.00	465.00
06/27/06	M. Levinson	Telephone conversation with B. Olson and A. Loraditch re various status matters, re the all hands calls this week, re the upcoming J. Milanowski deposition in another matter and re other status and strategic matters.	0.30	168.00
06/27/06	L. Ernce	Telephone conference with A. Loraditch re case administration matters and email and telephone conference with M. Levinson re same.	0.30	139.50
06/27/06	J. Hermann	Travel from Las Vegas and further consideration and analysis of loan collection issues en route.	2.50	1,425.00
06/28/06	M. Levinson	Exchange numerous email memoranda with Diversified Committee professionals and several with A. Jarvis re the call between the Diversified Committee professionals and the debtors' professionals later today (.20); review and respond to a many email memoranda from professionals employed by the debtors and the various committees re tomorrow's all-hands call (.20).	0.40	224.00



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06/29/06	M. Levinson	Review the draft form of order re the Canepa motion for relief from stay circulated by L. Davis, review various email memoranda re the same, sign the order and return it to L. Davis (.20); review stipulation continuing hearing dates and extending time to answer, and exchange email memoranda with A. Loraditch re our approval of the same (.10); conference call with other Diversified Committee professionals during which we strategize about upcoming motions and to discuss results and next steps with respect to the loan analysis project (.30); lengthy voicemail message and follow-up email memorandum to A. Jarvis re follow-up of certain issues that were discussed during today's all-hands conference call and during yesterday's call between the debtors' and the Diversified Committee's professionals (.20); review and respond to lengthy A. Jarvis email memorandum in response to mine, respond to A. Jarvis and follow-up email memorandum to the Diversified Trust professionals re the same (.20).	1.00	560.00
06/29/06	L. Ernce	Telephone conference with Diversified Committee professionals re strategies for responding to upcoming motions (.30); review online docket for general case status (.20).	0.50	232.50
06/30/06	M. Levinson	Portion of telephone conversation with S. Strong dealing with a wide range of status and strategic issues.	0.30	168.00
06/30/06	L. Ernce	Email to M. Tucker re execution of joint defense agreement and conference with M. Levinson re same; email to A. Parlen re status (.20); follow up re issues related to electronic notices from court (.20).	0.40	186.00

B110 – Case Administration Total 137.10 70,750.50

Timekeeper Summary	Hours	Rate	Amount
Lynn T. Ernce	47.50	465.00	22,087.50
Jeffery D. Hermann	15.20	570.00	8,664.00
Marc A. Levinson	69.20	560.00	38,752.00
Kimberly E. Neureiter	1.50	375.00	562.50
Shelley Laufman White	3.70	185.00	684.50
Total All Timekeepers	137.10	\$516.05	\$70,750.50



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Task B120 – Asset Analysis and Recovery

06/07/06	M. Levinson	Telephone conversation with S. Scann re her request re Franklin/Stratford (.10); review J. Hermann email memorandum and annotated chart re the Diversified Committee's investments (.20); review data on the Diversified Fund's portfolio provided by R. Worthen and forward it to J. Hermann for use in double-checking the data in his memorandum (.10); review A. Jarvis email memoranda re tomorrow's Franklin/Stratford call, re scheduling a meeting with the committees and re the proposed sale of three Amesbury condominiums and review E. Karasik response to the latter (.20).	0.60	336.00
06/07/06	J. Hermann	Extensive review and analysis of materials available on loans in which Diversified Fund is whole or partial owner in order to determine action plan for collection of the same.	2.90	1,653.00
06/07/06	J. Hermann	Review and analysis of pleadings filed and other information available necessary to an understanding of dealings between debtors and the best manner of maximizing collection of loans owned in whole or in part by Diversified Fund.	1.10	627.00
06/08/06	M. Levinson	Exchange email memoranda with A. Jarvis re the possible sale of three Amesbury condo units (.10); telephone conversation with L. Ernce re her conversation this afternoon with the other committees and the company re Franklin/Stratford loan (.20); review lengthy L. Ernce email memorandum re the proposed Amesbury sale (.10).	0.40	224.00
06/08/06	L. Ernce	Exchange emails with E. Karasik re today's call with debtors and committees re proposed transactions (.10); participate in conference call with debtors and counsel for other committees regarding debtors' motion to forbear or provide additional financing on Amesbury, HFA, Franklin/Stratford and Boise/Gowen loans (1.10); telephone conference with M. Levinson re information learned on call (.20); review emails and documents from D. Monson on Franklin/Stratford, Amesbury and Boise/Gowen loans (.60).	2.00	930.00



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06/08/06	J. Hermann	Extensive review and analysis of materials available on facts and transactions among debtors in order to determine action plan for collection of loans in which Diversified Fund has an ownership interest.	2.40	1,368.00
06/09/06	M. Levinson	Telephone conversation with J. Hermann re researching loans made by Diversified Fund.	0.20	112.00
06/09/06	L. Ernce	Exchange emails with D. Monson, M. Kiehl and E. Karasik re further details on proposal re HFA, Boise/Gowen and other loans (.30); review email from L. Schwartz re debtors' filing of motion to approve security agreement with Investment Partners and request for consent to order shortening time (.10); review emails from other committee counsel and U.S. Trustee re questions about Investment Partners motion (.10); exchange further emails with D. Monson and E. Karasik re HFA and other loans (.20); review email from L. Schwartz re debtors' filing of motion for authority to forbear or provide additional financing on certain projects and request for order shortening time; review G. Garman's email declining to consent (.10); email memo to M. Levinson re same and details on forbearance motion (.10).	0.90	418.50
06/11/06	M. Levinson	Review and analyze M. Tucker email memorandum re the proposed agreement with Investment Partners, review the L. Ernce response thereto and forward the same to J. Hermann under cover of a substantive email memorandum (.30); review L. Ernce email memorandum to M. Tucker re Franklin/Stratford and re the possible sale of three Amesbury condos (.10).	0.40	224.00
06/12/06	M. Levinson	Initial review of J. Hermann draft of limited opposition to the Investment Partners motion.	0.30	168.00
06/12/06	L. Ernce	Review J. Hermann emails re issues related to 10-90 loan and security agreement by Investment Partners (.20); review draft limited opposition to Investment Partners motion (.20).	0.40	186.00
06/12/06	J. Hermann	Extensive review and analysis of Debtors' Motion to Approve Investment Partners Agreement and formulation of issues in connection with the same.	1.60	912.00



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06/12/06	J. Hermann	Telephone conference with M. Tucker regarding issues in connection with Debtors' Motion to Approve Investment Partners Agreement.	0.50	285.00
06/12/06	J. Hermann	Prepare limited objection to Debtors' Motion to Approve Investment Partners Agreement and further review and analysis of prior pleadings in connection with the same.	3.60	2,052.00
06/13/06	M. Levinson	Review J. Hermann email memorandum to the Diversified Committee professionals re the Investment Partners motion and related strategic issues and review his email memorandum re certain of the loans made by the Diversified Committee (.20); review M. Tucker email memorandum re the Stratford/Franklin loan and the L. Ernce email memorandum in response thereto (.10).	0.30	168.00
06/13/06	J. Hermann	Review and revise Limited Objection to Investment Partners Security Agreement Motion and review and analysis of prior pleadings in connection with the same.	0.80	456.00
06/14/06	K. Neureiter	Review email sent by J. Hermann re termination of servicing agreement and draft notes of issues.	0.80	300.00
06/14/06	K. Neureiter	Review form servicing agreement and operating agreement.	1.00	375.00
06/14/06	K. Neureiter	Confer with J. Hermann re assignment and discuss strategy re termination of servicer.	0.50	187.50
06/14/06	K. Neureiter	Review email from J. Hermann and attached list of performing and non-performing loans.	0.40	150.00
06/14/06	K. Neureiter	Draft and send memo to J. Hermann re termination of servicer.	2.60	975.00
06/14/06	M. Levinson	Review J. Hermann's draft response to the Investment Partners motion, exchange a number of email memoranda with J. Hermann and L. Ernce re various issues raised by such draft and long telephone conversation with J. Hermann and L. Ernce re my suggested changes (.60); exchange follow-up email memoranda with J. Hermann (.10); review M. Tucker email memorandum re Franklin/Stratford (.10).	0.80	448.00



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06/14/06	L. Ernce	Telephone conference with M. Levinson and J. Hermann re next version of Investment Partners limited opposition and review same (.80); review J. Hermann email memos re issues related to direct lenders' motion to terminate service agreement (.10); telephone conference with M. Tucker and C. Harvick re comments and strategies for responding to debtors' motion to forbear or provide additional funding, with focus on Franklin/Stratford, Amesbury/Hatterspoint and HFA loans (.20); draft Diversified Committee's response to debtors' motion to forbear or provide additional funding (.50); email memo to M. Tucker, C. Harvick and M. Levinson re draft response (.10); telephone conference with M. Levinson re status matters and strategies re draft response (.20); revise Diversified Committee's response (.10).	2.00	930.00
06/14/06	J. Hermann	Revise limited opposition of Diversified Committee to Investment Partners Security Agreement motion and review and analysis of file materials in connection with the same.	1.80	1,026.00
06/14/06	J. Hermann	Telephone conference with M. Tucker regarding issues in connection with Franklin/Stratford loan.	0.30	171.00
06/14/06	J. Hermann	Review and analysis of pleadings filed by debtors relating to release of collateral on Franklin/Stratford loan and participation in exchange of email correspondence regarding the same.	0.70	399.00
06/14/06	M. Levinson	Telephone conversation with L. Ernce and J. Hermann re one of the motions to be heard tomorrow and re the opposition to the Investment Partners motion.	0.10	56.00
06/15/06	K. Neureiter	Review servicing agreement and analysis of any additional arguments re motion to terminate agreement.	0.30	112.50
06/15/06	L. Ernce	Review K. Neureiter email memo re her analysis of servicing agreement and exchange of emails re related issues.	0.20	93.00
06/15/06	L. Ernce	Review emails from D. Monson re HFA loans.	0.10	46.50



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06/15/06	J. Hermann	Further consideration and analysis of complex issues of allocation and priority associated with Debtors' Motion Re Investment Partners Security Agreement, prepare memo regarding the same and participate in conference call with Diversified Committee professionals regarding the same before today's court hearings.	1.80	1,026.00
06/16/06	M. Levinson	Telephone conversation with L. Bubala of Jones Vargas re the Investments Partners motion, re yesterday's hearing on the motions to obtain relief from the stay re the servicing agreements and re related matters (.20); analysis re possible claims against third parties such as accountants, insurers, etc. and telephone conversation with J. Hermann re the same (.30); telephone conversation with D. Tyukody and J. Hermann re such possible claims (.20).	0.70	392.00
06/16/06	D. Tyukody	Telephone conference with M. Levinson and J. Hermann regarding potential causes of action and strategy.	0.20	127.00
06/16/06	L. Ernce	Review M. Tucker emails re Boise/Gowen loan and other Investment Partner assets (.10); review docket, obtain copies of all schedules and statements of financial affairs for all debtors and disseminate to Diversified Committee professionals (.60); review next version of limited opposition to Investment Partners motion (.20).	0.90	418.50
06/16/06	J. Hermann	Initial review and analysis of schedules and statement of affairs of Diversified Fund to determine latest statement of assets and loans.	0.90	513.00
06/16/06	J. Hermann	Prepare for and participate in conference call with debtors' representatives to discuss issues important to Diversified Committee.	0.40	228.00
06/18/06	D. Tyukody	Review prospectus for the USA Capital First Trust Deed Fund, with particular attention to the section addressing the USA Capital Diversified Trust Deed Fund LLC and affirmative representations concerning the structure, performance and changes made to same.	4.40	2,794.00
06/19/06	L. Ernce	Telephone conference with M. Levinson and J. Hermann re status of review of loan files for Diversified loans and related matters (.30); another telephone conference with J. Hermann (.20); review emails and begin reviewing	1.70	790.50



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		documents received on HFA loans from D. Monson (.30); review E. Karasik email requesting clarification of ownership and email to D. Monson re same in light of appearance that Diversified, not First Trust, is the lender on HFA Monaco loan; email to J. Hermann re same (.20); telephone conferences with J. Hermann re obtaining and reviewing loan file on HFA Monaco loans and re documents in file indicate it is a Diversified loan (.20); further exchange of emails with E. Karasik and D. Monson re same (.10); telephone conference with J. Hermann re his conversation with people at the company that the HFA Monaco loan was transferred to First Trust (.10); review assignment documents showing transfer of HFA Monaco loan to First Trust in a series of assignments and email memo to M. Levinson re same (.30).		
06/19/06	M. Levinson	Begin revising the limited opposition to the Investment Partners motion (.30); revise and finalize the limited opposition to the Investment Partners motion (.20); telephone conversation with A. Loraditch re the same and re the joinder to the DIP financing motion (.10); telephone conversation with D. Tyukody re his preliminary thoughts about possible accountant and director liability (.30).	0.90	504.00
06/19/06	D. Tyukody	Continue reviewing prospectus for USA Capital First Trust Deed.	1.20	762.00
06/19/06	J. Hermann	Review and analysis of files and records of Debtors on location at offices of debtors in Las Vegas and meetings with debtor representatives in connection with such review.	5.80	3,306.00
06/20/06	M. Levinson	Telephone conversation with J. Hermann re another of the loans from the Diversified Fund and re his call with K. Glade re the Colt/HFA loan (.20); business portion of dinner meeting with M. Tucker, C. Harvick and J. Hermann during which we discuss the loan files at USA Commercial for various of the loans from the Diversified Fund (1.10).	1.30	728.00



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06/20/06	J. Hermann	Day-long review and analysis of loan documents and other file materials at debtors' offices in Las Vegas in order to evaluate collectability of loans owned in whole or in part by Diversified Fund, including 10-90, Inc. and Epic Resorts loans, and, including meetings throughout the day with debtor representatives regarding location and existence of files, and regarding questions as to loan histories.	5.90	3,363.00
06/20/06	M. Levinson	Lengthy voicemail message from M. Tucker re his thoughts following J. Hermann's review of various loan documents yesterday (.10); telephone conversation with J. Hermann re the results of his review of the books and records yesterday (.20); long telephone conversation with J. Hermann re his and C. Harvick's continuing review of loan and document files, with C. Harvick for part (.40).	0.70	392.00
06/21/06	M. Levinson	Attend the portion of the omnibus hearing devoted to the Investment Partners motion.	0.70	392.00
06/21/06	J. Hermann	Further review and analysis of pleadings filed by various parties in connection with Debtors' Motion for Investment Partners Security Agreement (1.80); further prepare for and participate in hearing on such motion and present arguments in favor of approval of the same (1.80).	3.60	2,052.00
06/21/06	J. Hermann	Participate in portion of luncheon meeting to discuss Investment Partners motion.	0.40	228.00
06/21/06	J. Hermann	Participate in extensive day-long hearing on various motions set for calendar (participation by second attorney was to argue Investment Partners motion and need for background information on case).	5.80	3,306.00
06/22/06	J. Hermann	Review and analysis of additional documents needed to be produced by debtors and preparation of listing of the same.	0.90	513.00
06/22/06	J. Hermann	Further review and analysis of loan documents and file materials received from debtors on loans in which Diversified Fund is whole or partial owner and development of loan collection strategies in connection with the same.	1.60	912.00
06/22/06	J. Hermann	Participate in conference call with M. Levinson, M. Tucker and C. Harvick regarding loan collection issues and related matters.	0.40	228.00



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06/23/06	L. Ernce	Obtain and review portions of amended schedules and statements for USA Commercial Mortgage filed today (.40); review M. Tucker email to C. Harvick re accounts receivable schedule as it possibly relates to Diversified Fund or to Investment Partners and related matters (.10).	0.50	232.50
06/23/06	M. Levinson	Review and analyze the lengthy M. Tucker email memorandum re certain disclosures in the amended schedules concerning the very large account payable to the Diversified Fund by USA Commercial Mortgage.	0.20	112.00
06/23/06	J. Hermann	Further review and analysis of loan documents and file materials received from debtors on loans in which Diversified Fund is whole or partial owner and development of loan collection strategies in connection with the same.	3.60	2,052.00
06/26/06	M. Levinson	Telephone conversation with J. Hermann re his review of documents at USA Mortgage today and re next steps (.20); telephone conversation with D. Tyukody re background concerning possible claims against third parties (.30); review D. Tyukody follow-up email memorandum seeking documents and information (.10); initial review the document requests drafted by J. Hermann and C. Harvick that were emailed to Mesirow today (.10).	0.70	392.00
06/26/06	L. Ernce	Review emails and documents from D. Monson re Franklin/Stratford transaction.	0.20	93.00
06/26/06	L. Ernce	Review multiple emails and selected financial and other background documents from C. Harvick.	0.70	325.50
06/26/06	J. Hermann	Further review and analysis of loan files and other information made available by Debtor representatives to evaluate loan quality of loans partially or wholly owned by Diversified Fund, and meetings with Debtor representatives throughout the day in connection with the same.	7.60	4,332.00
06/26/06	J. Hermann	Multiple telephone conferences with M. Tucker, C. Harvick and M. Levinson regarding results of file review and regarding loan collection analysis.	0.70	399.00
06/27/06	K. Neureiter	Confer with M. Levinson re status of interim distribution research and contacting counsel for other fund.	0.30	112.50



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06/27/06	K. Neureiter	Review interim distribution research results in preparation for call with C. Pajak.	0.40	150.00
06/27/06	M. Levinson	Telephone conversation with M. Tucker with L. Ernce re the just-completed all-hands call and re the investor statements the debtors will be circulating later this week (.30); draft and revise an email memorandum to A. Jarvis requesting that the form of investor statement be shared with the fund committees prior to distribution (.30); review L. Ernce and M. Tucker comments to the draft, and revise, finalize and transmit the same to A. Jarvis, E. Karasik and others (.20); participate in a chain of follow-up email memoranda with C. Harvick and M. Tucker re the production by the debtors of the investor statements and the related database (.10); long telephone conversation with J. Hermann, with C. Harvick for part, re their meetings today with representatives of USA Mortgage, of Mesirow and of Ray Quinney re the Diversified Fund collateral and loans (.50); review the subpoena on the debtors seeking information about loans and enforcement served by the direct lenders' committee and S. Strong correspondence in response thereto, and email memorandum to the Diversified Committee professionals re the same (.30); review C. Harvick email memoranda to S. Smith and others requesting the form of investor statements (.10); review email from C. Cadwell of Mesirow re the confidentiality of the Hilco appraisals (.10); review and respond to brief A. Jarvis email re providing the investor statements (.10); lengthy telephone conversation with A. Jarvis re the investor statements, working the problem loan portfolio and other ways to bring income into the Diversified Committee estate (.30); analysis re next steps and lengthy email memorandum to the Diversified Committee team of professionals re next steps in light of the same, including a conference call with the debtors' professionals tomorrow afternoon (.40).	2.70	1,512.00



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06/27/06	L. Ernce	Review and comment upon draft email memo from M. Levinson to A. Jarvis requesting review of investor statements in advance of distribution by debtors to investors (.10); review exchange of follow-up emails re same (.10); review subpoenas served on the debtors by direct lenders' committee and debtors' response (.20); review M. Levinson email re his call with A. Jarvis and next steps in preparation for call tomorrow afternoon with debtors' professionals (.10); review emails from C. Harvick and document request to debtors (.10); review emails re status of investor statements (.10).	0.70	325.50
06/27/06	L. Ernce	Review email and escrow instructions on Franklin/Stratford transaction from D. Monson with request for partial reconveyance.	0.10	46.50
06/27/06	D. Tyukody	Review documents forwarded by J. Hermann (financial statements, prospectus and other promotional materials) re possible third party claims.	5.40	3,429.00
06/27/06	J. Hermann	Further review and analysis of loan files and other information made available by debtor representatives to evaluate loan quality of loans partially or wholly owned by Diversified Fund, and meetings with debtors' representatives throughout the day in connection with the same.	5.40	3,078.00
06/27/06	J. Hermann	Participate in meeting with K. Glade, M. Kiehl and A. Stevens re analysis of all loans in which Diversified Fund has an interest, collection prospects for the same and action plan for each loan.	2.50	1,425.00
06/28/06	M. Levinson	Telephone conversation with J. Hermann re preparing for this afternoon's call with the debtors' professionals re the various Diversified Fund loans (.10); review charts prepared by C. Harvick detailing such loans (.20); review J. Hermann memorandum on factors to consider in enforcing claims against Diversified Fund borrowers (.10); very long telephone conversation with J. Hermann and L. Ernce re each of the secured and unsecured loans made by the Diversified Fund and re how to deal with enforcement of the same, referring during the call to the C. Harvick charts (1.10); initial review of the Diversified Trust collateral information report prepared by	4.20	2,352.00



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		FTI (.20); very long telephone conversation with A. Jarvis, M. Kehl, K. Glade, M. Tucker, C. Harvick, A. Loraditch, J. Hermann and L. Ernce re the assets in the Diversified Fund portfolio and re next steps with respect to the same (1.60); follow-up conference call with M. Tucker, C. Harvick, L. Ernce and A. Loraditch (for part) re next steps in light of that call and re the form of investor statements the debtor intends to discuss during tomorrow's conference call (.70); continue reviewing the Diversified Fund collateral information and interlineate comments to the same (.20).		
06/28/06	L. Ernce	Review emails from C. Harvick and initial review of charts he prepared regarding Diversified Fund's loans (.20); telephone conference with M. Levinson and J. Hermann re enforcement of Diversified Fund loans (1.10); review and analyze chart entitled Status of Collateral for Diversified Fund's loans in advance of conference call with debtors and on loan enforcement and other financial matters (.30); conference call among debtors' and Diversified Committee's professionals re enforcement of Diversified Fund loan portfolio and other matters (1.60); follow-up telephone conference with Diversified team re today's call with debtors and next steps in advance for tomorrow's call (.70); review emails and selected documents sent by C. Harvick and received from debtors and requests for further information (.30); review J. Hermann email re old form of statements previously provided to investors (.10).	4.30	1,999.50
06/28/06	J. Hermann	Participate in conference call with Diversified Committee professionals to plan strategy in connection with upcoming motions, update results of loan analysis project, and to discuss agenda items for tomorrow's Committee meeting.	0.60	342.00
06/28/06	J. Hermann	Telephone conference with M. Levinson regarding loan collection issues and other related matters.	1.20	684.00



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06/28/06	J. Hermann	Participate in conference call with debtors' representatives regarding loan collection issues and division of labor in collection efforts.	1.20	684.00
06/29/06	M. Levinson	Conference call with other Diversified Committee professionals (following up on our call with the debtors yesterday) re pursuing recoveries of the secured and unsecured loans made by the Diversified Fund (.30); review email folders, searching for a form of order approving the Investment Partners motion and email debtors' counsel re the status of such an order (.20); initial review of draft all-committee document request prepared by C. Pajak and email memorandum re the same to the Diversified Fund professionals (.20).	0.70	392.00
06/29/06	L. Ernce	Telephone conference with Diversified Committee professionals re status of loans and strategies for enforcement (.30); review emails re issues related to proposed investor statements (.10); review emails from M. Levinson and A. Jarvis re setting up meetings with Milanowski and Ashby (.10).	0.50	232.50
06/29/06	D. Tyukody	Further review of prospectus (.80); telephone conference with M. Levinson regarding issues of concern to committee members and other non-committee members in same class (.20).	1.00	635.00
06/29/06	J. Hermann	Review and revise spreadsheet setting forth available information on loans owned in whole or in part by Diversified Fund and review and analysis of file materials in connection with the same.	1.90	1,083.00
06/30/06	M. Levinson	Portion of telephone conversation with S. Strong devoted to the distribution of investor statements and to the impending interim distribution motion (.30); review investor statement as of June 30, 2005, forwarded by T. Lawyer and forward the same to D. Tyukody (.10); telephone conversation with C. Harvick and M. Tucker re a number of the Diversified Fund's loans and assets, including the Ashby transactions, and re issues relating to the impending distribution to investors (.20); review of portions of today's draft of the report on the Diversified Fund's collateral prepared by C. Harvick and J. Hermann (.20); voicemail message to R. Pachulski, Ashby's counsel, re arranging a meeting to discuss the various	1.20	672.00



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		Ashby transactions and follow-up email memorandum to S. Strong re the same (.10); telephone conversation with J. Hermann re asset recovery matters, including my attempt to reach Ashby's counsel, and re the draft form of Investment Partners order (.10); review investor statements as of December 4, 2001 and September 30 and December 31, 2005 forwarded by C. Harvick (.20).		
06/30/06	L. Ernce	Review C. Harvick updated collateral list for Diversified Fund loans.	0.20	93.00
06/30/06	J. Hermann	Prepare comments to form of order on Investment Partners motion, review and analysis of file materials in connection with the same, and participate in exchange of email correspondence regarding the same.	1.20	684.00
06/30/06	J. Hermann	Telephone conference with M. Levinson regarding Investment Partners order, committee call and other matters.	0.20	114.00
<i>B120 – Asset Analysis and Recovery Total</i>			<i>120.30</i>	<i>66,347.50</i>

Timekeeper Summary	Hours	Rate	Amount
Lynn T. Ernce	15.40	465.00	7,161.00
Jeffery D. Hermann	69.30	570.00	39,501.00
Marc A. Levinson	17.10	560.00	9,576.00
Kimberly E. Neureiter	6.30	375.00	2,362.50
Daniel J. Tyukody	12.20	635.00	7,747.00
Total All Timekeepers	120.30	\$551.52	\$66,347.50